

Oakland Schools
Agreement on Special Education Programs and Services
For 2010-2011, 2011-2012, 2012-2013

A. PURPOSE AND INTENT

- I.** This Agreement is made by and between Oakland Schools, an intermediate school district and the constituent districts of Oakland County. This Agreement pertains to the manner and conditions under which Act 18 Funds shall be allocated, distributed and paid by Oakland Schools to Resident Districts and Districts Operating Center Programs for special education and related services.
- II.** Resident Districts shall provide special education and related services for Student(s) with a Disability in the Resident District by operating special education programs and providing related services or by contracting with any entity permitted by law to provide special education and related services.
- III.** Districts Operating Center Programs shall not be required to spend their local funds to serve nonresident Student(s) with a Disability. Districts Operating Center Programs shall use funds received via the tuition process and state aid revenue, based on the costs of the center programs to cover the cost of operating center programs.

B. DEFINITIONS

- I.** The term "Act 18 Funds" means monies derived from the millage levied and collected pursuant to Sections 1722 through 1729 of the Revised School Code of the State of Michigan that is MCL 380.1722 through MCL 380.1729.
- II.** The term "Student(s) with a Disability" means an individual(s) who is (are) eligible for special education and related services pursuant to the Individuals with Disabilities in Education Act (IDEA) or Michigan Administrative Rules for Special Education (MARSE) and their implementing regulations.
- III.** The term "105c Student(s) with a Disability" means a student(s) with a disability that resides in a contiguous intermediate school district and is enrolled under Section 105c, the enrolling district and district of residence must have a written agreement regarding the payment of added costs of special education programs and services for the purpose of providing the student(s) with a disability a free appropriate public education. MCL 388.1705c(19). Act 18 Funds cannot be used for the costs associated with 105c students.

- IV.** The term "Constituent District" refers to all public school districts and public school academies which receive state aid funding within the boundaries of Oakland Intermediate School District.
- V.** The term "Resident District" means a constituent district of Oakland Schools, which has a Student(s) with a Disability eligible for special education and related services residing in its district.
- VI.** The term "Districts Operating Center Programs" means a constituent district that: has an approved budget on file with Oakland Schools to provide special education and related services for resident and non-resident Student(s) with a Disability in Oakland County, and maintain the participation of three or more additional constituent districts.
- VII.** The term "Actual Per Pupil Tuition Rates" means the per pupil cost incurred by Districts Operating Center Programs. Districts Operating Center Programs must file a budget with Oakland Schools for each center eligible program operated. Tuition is determined with the approval of gross budget submitted, minus program generated revenues. This establishes a tuition eligible added cost that is then divided by the actual student headcount of each individual program which determines the actual per pupil tuition rate.

C. OAKLAND SCHOOLS OBLIGATIONS

- I.** By May 1, Oakland Schools shall prepare a preliminary special education budget identifying the anticipated ISD costs and estimated Act 18 Fund distribution. At that time, Oakland Schools will notify each Resident District of its estimated Act 18 Fund allocation. The Act 18 Fund allocation is an estimate, subject to revision.
- II.** Oakland Schools shall pay the tuition, from the Resident District's Act 18 Fund allocation to the District(s) Operating Center Programs. The payments shall be in monthly installments beginning with the first payment in July to districts operating center based severe cognitive impairment, or severe multiple impairment programs, and September for all other Districts Operating Center Programs. Districts shall receive their net Act 18 Fund allocation, (the Act 18 allocation minus any center program tuition charges), from Oakland Schools quarterly.
- III.** Oakland Schools will notify Districts Operating Center Programs of any tuition increases that exceed 10% over the previous year's tuition rate. Oakland Schools will notify Resident Districts if the proposed tuition exceeds the previous tuition by more than 10%.
- IV.** A request for the early release of Act 18 funds may be made in accordance with the "Protocol for the Early Release of Budgeted Local Education Agency (LEA) and Public School Academy (PSA) Distribution Funds".

- V.** Districts will receive a report of the center tuition charges paid on behalf of their identified students following the fall and spring state membership count.
- VI.** Oakland Schools shall, prior to June 1, review the proposed budget(s) of all Districts Operating Center Programs under this agreement and calculate estimated Tuition Rates. Final Tuition Rates will be adjusted based upon the official fall and winter student count dates.
- VII.** All budgets submitted by Districts Operating Center Programs will be reviewed by the (SEAOC) Special Education Administrators of Oakland County Finance Committee for alignment with the adopted comparability guidelines at the time of the budget submission, and recommendations will be made to the Director of Special Education at Oakland Schools for final approval. Oakland Schools shall approve budget(s) of all Districts Operating Center Programs under this agreement and notify, in writing by July 1, approvals to all Districts Operating Center Programs.
- VIII.** All student placements are to be made by mutual consent between the Districts Operating Center Programs and the Resident District consistent with application procedures and entrance and exit criteria. Oakland Schools shall review any student placement in which there is a dispute between the District Operating Center Programs and the Resident District upon request of either party in accordance with Section I – Dispute Resolution – of this agreement.
- IX.** Oakland Schools will make available to all Resident Districts a final cost and revenue statement of Districts Operating Center Programs by April 1 of the school year following the delivery of services.
- X.** Oakland Schools shall notify Districts Operating Center Programs, prior to January 30, or contiguous business day, if the District Operating Center Programs no longer meet the center program criteria as defined in Section B-V.

D. RESIDENT DISTRICT'S OBLIGATIONS

- I.** Resident Districts shall be responsible for providing special education and related services, including transportation, for any Student(s) with a Disability in the district in accordance with IDEA and MARSE. Special education and related services may be provided directly by a Resident District or through an authorized entity such as a District Operating a Center Program.
- II.** A Resident District shall be responsible for all costs associated with the education of its Student(s) with a Disability incurred by Districts Operating Center Programs that exceed Act 18 Fund allocations.
- III.** Resident Districts shall use their Act 18 Fund allocation to pay for special education and related services.

- IV.** Resident Districts that contract with Districts Operating Center Programs shall hold harmless, defend and indemnify the District Operating a Center Program from and against any and all claims, demands, damages, due process hearings, lawsuits, causes of action, losses and expenses, including attorneys fees and costs, in any way arising out of or connected with the identification of the special education and related services provided to and placement of its Student(s) with Disability in accordance with their Individualized Education Program (IEP).

E. DISTRICTS OPERATING CENTER PROGRAMS OBLIGATIONS

- I.** Districts Operating Center Programs shall, prior to January 30 of each school year, notify Oakland Schools and Resident Districts of their intent to discontinue operation of a program to provide special education and related services for the next school year.
- II.** Districts Operating Center Programs shall provide to Oakland Schools a projected operating budget prior to March 1. The projected budget must align with the adopted Center Program Comparability Guidelines. Oakland Schools will notify a center program operator having a deviation from the guidelines. All budgets that exceed the guidelines will be reviewed by the Special Education Administrators of Oakland County (SEAOC) Finance Committee and recommendations for revision or approval will be made to the Director of Special Education at Oakland Schools. Oakland Schools Director of Special Education is responsible for authorizing and approving any deviation from the comparability guidelines. Projected budgets may be inclusive of and by way of example and not limited to;
- the salaries, wages, fringe benefits, payroll taxes, unemployment compensation, worker's compensation, pension fund contributions and all other forms of compensation for approved special education and related services personnel,
 - the costs of purchased services for special education and related services including materials supplies, incidental transportation and attorneys and accountants fees;
 - the costs of equipment purchased by Districts Operating Center Programs for special education and related services;
 - retirement incentive programs for special education and related services personnel;
 - rent for special education and related services buildings and classrooms;
 - indirect costs, which are either the Indirect Rate, as, reported on Michigan Department of Education Report R0416 - Indirect Cost Rates for Special Education Added Costs (NOT TO EXCEED 15%) or an itemization of specific indirect expenses.
 - Districts Operating Center Programs may include a contingency allocation of 5% of the total budget. This allocation is intended for but not limited to cover unanticipated costs, program equipment, student excess staffing, facility repair, etc.

- With the exception of SCI and SXI programs, costs for extended school year program (ESY) are not to be included in operating budgets. Districts Operating Center Programs may offer to provide ESY programs for other district students through independent agreements.

III. If a District's center program revenues exceed 105% of the cost, the district will be required to:

- i.* Reduce the subsequent year's center budget by an amount equal to the excess of 105%;

- Or -

- ii.* Submit an explanation/rationale for approval to Oakland Schools Director of Special Education.

IV. Districts Operating Center Programs shall provide special education and related services to Student(s) with a disability enrolled in their program consistent with the IEP and as dictated by student performance or student needs. (For example; referral to outside agencies, Community Mental Health, Michigan Jobs Commission, Juvenile Justice System.)

V. Districts Operating Center Programs shall hold harmless, defend and indemnify the Resident District from and against any and all claims, demands, damages, lawsuits, causes of action, losses and expenses, including attorney's fees and costs, in any way arising out of, or connected with, the equipping, maintaining, programming and operation of the facilities and programs of the Districts Operating Center Programs. A District Operating a Center Program is responsible for the special education and related services they provide to Student(s) with a Disability.

F. START-UP AND EXTRAORDINARY EXPENSE APPLICATION PROCESS OR EXPENSES

I. Annually Oakland Schools may establish a fund to respond to applications from districts to start new programs for center eligible students. If requests exceed allocated funds, reimbursement(s) will be prorated. The fund may also support approved extraordinary unanticipated expense. The two budgeted line items will be known as Start-up (SU) and Extraordinary Expense (EE). Oakland Schools will make allocations according to established processes.

II. Start-up Applications will be accepted for:

- i.* Local District Programs for center eligible students. Oakland Schools will reimburse 90% of added costs for Local District Programs.
- ii.* Center Programs for center eligible students. Oakland Schools will reimburse 100% of approved one-time added costs for Center Programs.

III. Extraordinary Expense Applications may be submitted for excessive costs due to unanticipated, catastrophic or extenuating circumstances. The Extraordinary Expense Fund may reimburse up to 100% of costs.

- i.* Local District requests for reimbursement will only be considered if they exceed 1% of the LEA's Act 18 allocation. Reimbursements will be limited to amounts that exceed 1%. Applications will be considered only for circumstances beyond the Local District's control that result in financial hardship to the district.
- ii.* Center Program Operator requests for reimbursement will be considered if they cannot be reimbursed through a budget revision or through their 5% contingency fund.

IV. Applications for:

- i.* Start Up must be submitted to Oakland Schools Director of Special Education prior to May 1 for the following year.
- ii.* Extraordinary Expense must be submitted to Oakland Schools Director of Special Education as soon as possible and no later than April 1st for the current school year.

V. When reviewing application(s) for approval, the Oakland Schools Director of Special Education shall solicit input from the SEAOC Finance Committee and Oakland County Superintendent's Subcommittee for Special Education. The District seeking support will be invited to present their case to the relevant groups. A recommendation for action shall be made to the Oakland County Superintendent for support, non-support or modified support. The decision of the Oakland Schools Superintendent or designee shall be final.

VI. For approved Start-Up requests, invoices shall be submitted to Oakland Schools by November 15 of the fiscal year following the request.

VII. Oakland Schools will annually disclose the status and activity of the Extraordinary Expense and Start Up Incentive Funds.

G. CAPITAL NEEDS PROTOCOL

Annually Oakland Schools may establish a fund to respond to applications from districts to fund reasonable facility renovations for buildings and classrooms, or new construction for Districts Operating Center Programs, which includes some segregated facilities, and those facilities that have become outdated or are in disrepair. The process requires an application to be filed with Oakland Schools Director of Special Education in accordance with the Capital Needs Protocol. The application and data analysis is processed according to the Capital Needs Request approval process. Final approval rests with the Oakland Schools Board of Education. The application process and requirements of guidelines for center

program facility standards are available from the Oakland Schools Director of Special Education and the Act 18 Finance Manual distributed annually.

H. ASSURANCES

Resident Districts and Districts Operating Center Programs agree to the following assurances for the provision of quality special education and related services to Student(s) with a Disability as a condition of receiving Act 18 Funds:

- I.** Assure compliance with all federal and state statutes and ISD guidelines governing service to Student(s) with a Disability.
- II.** Assure participation in the Michigan Department of Education Office of Special Education/Early Intervention Services (MDE OSE/EIS), Continuous Improvement Monitoring System (CIMS). The primary focus of Federal and State monitoring activities shall be on;
 - i.** Improving educational results and functional outcomes for all children with disabilities; and
 - ii.** Ensuring that State Performance Targets are met with a particular emphasis on those requirements that are most closely related to improving educational results for children with disabilities.
- III.** Assure the timely and accurate submission of all required budgets, reports, and compliance documents.
- IV.** Districts Operating Center Programs are required to participate annually in a Center Program Budget Validation Review conducted by Oakland Schools Special Education staff. A summary report of findings will be presented to Oakland County Superintendent's Association Subcommittee for Special Education, Local Education Agency Superintendents, LEA Directors of Special Education, and the Parent Advisory Committee for Oakland County.

I. DISPUTE RESOLUTION

In the event of any dispute arising out of this Agreement between Oakland Schools, a Resident District, a District Operating Center Programs, or any other entity that becomes a party to this Agreement, concerning the obligations of the parties under this contract, the party seeking resolution of the dispute, shall notify the other party or parties involved of the specific problem. The notification shall be in writing and shall include a suggested resolution of the dispute. All parties agree that representatives of each party shall meet and attempt to resolve any dispute within ten (10) working days of the date that written notice is received by the notified parties. If any dispute has not been resolved within twenty (20) working days following the date of the receipt of written notice, the parties agree to submit the dispute to the Oakland County Superintendent's Subcommittee on Special Education. Their decision may be appealed to the Oakland Schools Superintendent, whose decision is

final. Preparation costs shall be born by each party separately but any other costs associated with the dispute resolution procedure shall be shared equally.

J. DURATION OF CONTRACT

The duration of this Agreement shall be three (3) years, starting July 1, 2010 and ending June 30, 2013.

K. WAIVER

A decision by Oakland Schools, a Resident District, District Operating Center Programs not to require adherence to this Agreement or any term of this Agreement shall not be, and shall not be construed as, a waiver of this Agreement or any term of this Agreement. No modification, alteration and/or amendment to this Agreement shall be binding unless it is in writing and signed by all of the parties to this Agreement.

L. ENTIRE AGREEMENT CLAUSE

This Agreement is the entire agreement of the parties pertaining to its subject matter. There are no prior or contemporaneous agreements, understandings, representations or warranties, expressed or implied, other than those stated within the four corners of this Agreement.

M. SIGNATURES

Oakland Schools

Resident District

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: Superintendent

TITLE: Superintendent

DISTRICT: _____

DISTRICT: _____